

Remarks/Arguments:

The above Amendments and these Remarks are in reply to the Office Action mailed August 16, 2005.

Claims 1-36 were pending in the Application prior to the outstanding Office Action. In the Office Action, the Examiner rejected claims 1-36.

The present Response cancels claims 34-36, amends claims 1, 12 and 23 and adds new claims 37, leaving for the Examiner's present consideration claims 1-33 and 37. Reconsideration of the rejections is requested.

Claims 1-2, 5, 7-10, 12-13, 16, 18, 19-21, 23-24, 27, 29-31 and 32 are rejected under 35 U.S.C. § 102(e) as being anticipated by Aldis et al., U.S. Patent Publication 2004/0039916 A1.

Claims 3, 11, 14, 22, 25 and 33 are rejected under 35 U.S.C. 102(a) as being unpatentable over Aldis et al., U.S. Patent Publication 2004/0039916 A1 in view of Ramachandran et al. U.S. Patent Publication 2003/0083998.

Claims 4, 6, 15, 17, 26 and 28 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Aldis et al., U.S. Patent Publication 2004/0039916 A1 in view of Eng U.S. Patent Publication 2002/0169725 A1.

Claims 34, 25 and 36 are rejected under 35 U.S.C. 103(a) as being unpatentable over Aldis et al., U.S. Patent Publication 2004/0039916 A1 in view of Ross et al., U.S. Patent No. 5,553,143.

Independent claims 1, 12, and 23 have been amended to now include the limitations of old claims 34, 35 and 36 respectively. The cited references alone or in combination do not create the method or system of these independent claims. None of the cited references disclose or suggest downgrading software including obtaining a new license key. For example, the Ross reference apparently does not disclose downgrading software. For these reasons, claims 1, 12 and 23 and their dependent claims are believed to be allowable.

New claim 37 includes the limitations of old claims 1 and 3. None of the cited references alone or in combination disclose or suggest a software license bank storing a predetermined dollar amount of licenses. For example, the Ranachandran reference does not disclose storing a predetermined dollar amount of licenses. In Ranachandran, a usage based license system is used that charges for the use of software. At no point in Ranachandran does a license bank store a

predetermined dollar amount of licenses. Instead, the system in Ranachandran uses usage billing.

In light of the above, it is respectfully submitted that all of the claims now pending in the subject patent application should be allowable, and a Notice of Allowance is requested. The Examiner is respectfully requested to telephone the undersigned if he can assist in any way in expediting issuance of a patent.

The Commissioner is authorized to charge any underpayment or credit any overpayment to Deposit Account No. 06-1325 for any matter in connection with this response, including any fee for extension of time, which may be required.

Respectfully submitted,

Date: September 11, 2006

By: /Joseph P. O'Malley/
Reg. No. 36,226

FLIESLER MEYER LLP
Four Embarcadero Center, Fourth Floor
San Francisco, California 94111-4156
Telephone: (415) 362-3800